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**CITY OF TEMPE**  
**REQUEST FOR COUNCIL ACTION**

**Council Meeting Date: 01/10/2013**  
**Agenda Item:**

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**ACTION:** Adopt a resolution authorizing the Mayor to sign the amended and restated White Mountain Apache Tribe Water Rights Quantification Agreement; the Lease Agreement for Central Arizona Project water among the City of Tempe, the White Mountain Apache Tribe, and the United States; and the Waiver and Release of Claims. (Resolution No. 2013.06)

**FISCAL IMPACT:** The financial terms have not changed since the original approval in 2009. The payment for the 100-year lease of CAP water will be \$5,469,750, adjusted by the Consumer Price Index – Urban Users (CPI-U) upon the Enforceability Date of the Quantification Agreement. The lease payments were included as part of the 5-year Capital Improvement Program budget that was adopted for Fiscal Year 2012/13. The payments are estimated to begin in Fiscal Year 2015/16.

**RECOMMENDATION:** Adopt Resolution No. 2013.06.

**BACKGROUND INFORMATION:** The White Mountain Apache Tribe Water Rights Quantification Agreement and Lease Agreement for CAP water were approved by the Tempe City Council on February 19, 2009, (Resolution No. 2009.14). Congress subsequently passed, and the President signed into law, the White Mountain Apache Tribe Water Rights Quantification Act of 2010 (Act). The amended and restated White Mountain Apache Water Rights Quantification Agreement and Lease Agreement for CAP water are necessary to assure consistency with the Act.

The Amended and Restated White Mountain Apache Tribe Water Rights Quantification Agreement resolves the Tribe's claims to the Salt River and tributaries, provides for a domestic water supply system on the reservation, provides waiver and release of claims between the parties, and authorizes the White Mountain Apache Tribe to lease its CAP water to cities, including the City of Tempe.

Pursuant to the Quantification Agreement and Lease Agreement for Central Arizona Project (CAP) water, Tempe will lease 2,481 acre-feet of the White Mountain Apache Tribe's CAP Colorado River water annually for a period of 100 years. Payments will commence after the Enforceability Date when the U.S. Secretary of the Interior determines that the conditions necessary to implement the settlement have been met, currently estimated to occur in 2015. Payment for the lease of CAP water under this Agreement will be made over five years from the Water Enterprise Fund. In addition, the lease payments were incorporated into the water rate analysis that was conducted earlier this year. Once the specific lease payment dates and amounts have been determined, the Department will request budget appropriation authority from Council.

**ATTACHMENTS:** Resolution, amended and restated White Mountain Apache Tribe Water Rights Quantification Agreement, Lease Agreement for CAP Water, Waiver and Release of Claims.

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